

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
DELTA SPINNERS LIMITED HELD ON 30TH JANUARY, 2025 AT 3:00 P.M.
AT THE CORPORATE OFFICE OF THE COMPANY
AT 254-B KHILGAON CHOWDHURY PARA, DHAKA 1219

Directors Present :

1. Mr. R A Howlader
Chairman



2. Mr. Mostafa Jamal Haider
Managing Director



3. Mrs. Dina Jabin
Director



4. Mr. Md. Ayub Hossain
Independent Director



5. Mr. Mohammad Moniruzzaman
Director Nominated by BDBL



6. Mr. Masudur Rahman
Executive Director and Company Secretary



7. Mr. Mostafa Zakaria Haider
Head of Internal Audit and Compliance

Mr. R A Howlader, Chairman of the Board of Directors of the Company, presided over the meeting.

Proceedings :

The notice convening the meeting was read and the proceedings were conducted as follows:

Agenda : 1 To confirm the minutes of the last Board Meeting :

The minutes of the last Board Meeting were placed, read and confirmed.

Agenda : 2 To discuss and appoint a Chief Financial Officer of the Company in the position which remains vacant since 4th December, 2024 due to resignation of the previous Chief Financial Officer :

The Board was informed that the position of Chief Financial Officer (CFO) fell vacant since 4th December, 2024 due to resignation of the previous CFO. The Board felt it necessary that a new CFO be appointed urgently. It was stated that a candidate for the post is available in the Company, namely, Mr. Md. Al-Amin. From his Bio-data, it appears that he is a Master degree holder in Accounting obtained in the year 2013 and has completed Chartered Accountancy Courses under the Institute of Chartered Accountant of Bangladesh (ICAB). The Board reviewed the CV of Mr. Md. Al-Amin and decided to appoint him as the new CFO of the Company with immediate effect and took the following resolution :

“RESOLED that Mr. Md. Al-Amin be & is hereby appointed as the Chief Financial Officer (CFO) of the Company with immediate effect..”

Agenda : 3 To discuss and induct a member in the Board of Directors of the Company from the eligible shareholders as required under Notification No. SEC/CMRRCD/2009-193/07/Amin/106 dated 1st September, 2020 of Bangladesh Securities and Exchange Commission (BSEC) as because the Company is in ‘Z’ Category :

The Managing Director informed the Board that a new member is to be inducted in the Board of Directors of the Company from the eligible shareholders as required under Notification No. SEC/CMRRCD/2009-193/07/Amin/106 dated 1st September, 2020 of Bangladesh Securities and Exchange Commission (BSEC) as because the Company is in ‘Z’ Category.

The Board has received an application from one of our shareholders, Mrs. Rahela Rahman showing her interest to be inducted as a shareholder Director in the Company. The Board considered the application of Mrs. Rahela Rahman and made elaborate discussions on the issue.

In this regard, the Board took advice of Mr. Md. Ayub Hossain, Independent Director and Chairman of Nomination and Remuneration Committee (NRC) of the Company. Mr. Hossain opined that Bangladesh Securities and Exchange Commission (BSEC) encourages diversity of gender amongst the members in the Board, and in view of other considerations, as stated in Clause 6 (5) (ii) of Corporate Governance Code of BSEC, recommended that her application may be considered favourably.

The Board found that although Mrs. Rahela Rahman is a shareholder of Delta Spinners Limited, but she does not hold the required minimum 2% shares to become a Director from the shareholders. Regarding the issue, the Board considered the legal opinion dated 12-01-2025 of Adv. Samar Chandra Sen, the Legal Advisor of the Company. In his opinion, an interested shareholder can be inducted as a Director provided he or she agrees to acquire the balance number of minimum qualifying shares within 60(sixty) days from the date of appointment as per provision of Section 97 of the Companies Act, 1994 (read with Section 92 of the Act also).

The Board therefore, discussed all these aspects carefully and being satisfied about her suitability, inducted Mrs. Rahela Rahman as a Director of the Company subject to her acquiring shares of the Company as stipulated by Bangladesh Securities and Exchange Commission (BSEC) in this regard and took the following resolutions :

“RESOLVED that Mrs. Rahela Raman be and is hereby inducted as a Director from the category of eligible general shareholders of the Company with immediate effect subject to her acquiring shares of the Company as stipulated by Bangladesh Securities and Exchange Commission (BSEC) in this regard.”

Agenda : 4 To discuss and decide revaluation of assets of the Company to reflect the market value of such assets of the Company :

Under this agenda, the issue of revaluation of assets of the Company was discussed. It was opined in the meeting that such revaluation is necessary to reflect the actual market value of the assets for consideration of various stakeholders, namely, banks, creditors, suppliers, etc. The Board was informed that as per guidelines of BSEC in respect of revaluation of assets, this can only be done after three years from the date of pervious year. Mention may be made here that the last valuation of the assets of the Company was made in June, 2012, i.e., more than twelve years back.

The Board of Directors found the revaluation proposal in order, felt the necessity of such revaluation of assets of the Company, and took the following resolution :

“RESOLVED that the assets of the Company be revalued at market price by a competent valuer at an early date.”

Agenda : 5 To consider and adopt the Half Yearly Financial Statements for the period of 1st July, 2024 to 31st December, 2024 :

The Board of Directors considered the Half Yearly Accounts of the Company for the period ended 31st December, 2024. The said half yearly accounts have already been endorsed by the Audit Committee of the Company for adoption.

The Board was appraised that the management of the Company has been taking all out efforts to run the factory to its best possible efficiency. In spite of this, the Company has experienced a negative EPS of Tk. (0.12). The Board, therefore, noted the following reasons for lower operational performance :

- A poor supply and higher cost of raw cotton, the basic raw material of the factory, due to disruption of supply chain since July, 2024.
- Wages of the factory workers has been increased by 10% as per Govt. Directives.
- The operations of the factory remained closed for several days in the month of July, 2024 due to imposition of curfew.

- Titas Gas, which is our main source of power supply, has increased its tariff by 87% since February, 2023.
- Fluctuation in the US Dollar to Taka rate has raised the price of imported raw cotton. The price of the US Dollar has since increased by about 44%.

The above reasons, among others, have caused increase in the cost of production during the period under review.

However, in order to keep the factory in operation; we have to sell our products without any profit margin. Consequently, the first half of the accounting year 2024-2025 has experienced operational loss leading to a negative EPS of (-) Tk. (0.12). It may, however, be stated here that due to relentless efforts by the management, the loss of first half of the financial year 2024-2025 has been reduced to (-) Tk. 0.12 compared to (-) Tk. 0.20 during the corresponding period of 2023-2024.

The Board was informed that at present, our product i.e., yarn is earning a better price in the market. In view of that the Board of Directors advised the management to increase the production and earn some additional profit to off set the loss incurred.

The Board thus found the Half Yearly Financial Statements of the Company for the period ended 31st December, 2024 to be in order, adopted it and decided to publish the same in two newspapers – one in Bangla, one in English, one in an online portal and in the website of the Company. Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., and Chittagong Stock Exchange Ltd. will also be informed within 30 minutes of completion of the meeting. The Board, thereafter, adopted the following resolution :

“RESOLVED that the Half Yearly Financial Statements of the Company for the period ended 31st December, 2024 be and is hereby adopted and be published as per requirements.”

Agenda : 6 Any other issue with the permission of the Chair :

Nothing has been transacted.

There being no other business before the Board, the meeting ended with a vote of thanks to the Chair.


CHAIRMAN